Subject: Amended proposal for a first Council Directive to approximate the laws of the Member States relating to trade marks

1. The Commission submitted, on 25 November 1980, a proposal for a first Council Directive to approximate the laws of the Member States relating to trade marks (document 11788/80 PI 16). The proposal, which was based on Article 100 of the Treaty, was communicated together with a proposal for a Council Regulation on the Community trade mark.


On 17 December 1985, the Commission submitted an amended proposal for the first Council Directive (document 4090/86 PI 4). After the entry into force of the Single European Act, the legal basis of the amended proposal was changed by the Commission to Article 100A of the Treaty.
2. The Working Party on Intellectual Property carried out three complete readings of the amended proposal for a Directive. In doing so, it also took into consideration the results of the work which was carried out in parallel on the proposal for a Regulation on the Community trade mark.

This Report sets out three questions on which a solution could not be found at Working Party level. The Permanent Representatives Committee is requested to deal with these questions in order to prepare the deliberations of the Internal Market Council with a view to obtaining a common position on the amended proposal for a first Council Directive at its session on 30 November 1987.

The Permanent Representatives Committee will find in document 9186/87 PI 85 the text of the draft Directive which emerged from the deliberations of the Working Party. As this draft contains a number of technical points which are still outstanding, it is the intention of the Working Party to finalize this text and the recitals at its next meeting on 5 and 6 November 1987.

A. GROUNDS FOR REFUSAL OR INVALIDITY (ARTICLES 2 AND 2a)

3. The proposal by the Commission aims at achieving a complete harmonization of the grounds for refusal to register a national trade mark or for declaring it invalid after registration by establishing an exhaustive list of these grounds (Articles 2 and 2a). This proposal was supported by the Irish and United Kingdom delegations.

1 The Luxembourg delegation was not present for the third reading. The Greek delegation was not present at the last meeting of the Working Party on 22 October 1987. This Report, therefore, does not prejudice their position on the three questions.
This approach had been objected to by other delegations which did not wish to abandon a number of grounds for refusal or invalidity now recognized under their national law and not included in the proposal. These delegations wished therefore that Articles 2 and 2a should list a number of grounds common to all Member States, but the text should make clear that any Member State would be able to provide for further grounds for refusal or invalidity.

4. In an effort to find a compromise between the two approaches the Working Party agreed to submit to the Permanent Representatives Committee the following solution suggested by the Services of the Commission on 22 October 1987:

- Articles 2 and 2a would contain a list of grounds for refusal or invalidity to be applied by all Member States;

- furthermore, these two Articles would contain a list of grounds for refusal or invalidity which each Member State would have the option of introducing or maintaining in its legislation;

- a recital would clarify that the Member States will be able to maintain or introduce into their legislation grounds of refusal or invalidity which are not linked to elements falling within the scope of the Directive, as for example the personal entitlement to the trade mark, conditions for the renewal of a trade mark or sanctions for failure to comply with procedural rules.

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2 A survey of these grounds was established in document 10296/86 P1 70 by the Secretariat on the basis of information supplied by the delegations concerned.
5. A large majority of delegations agreed in principle with this suggestion, without prejudice to the detailed examination of the text of the Articles and the recitals which will be carried out on 5 and 6 November.\footnote{The German delegation in particular made its acceptance of this suggestion subject to the introduction in Article 2, among the grounds which are enumerated as an option for the Member States, of the case where the use of a trade mark may be prohibited pursuant to the provisions of law of a Member State.}

The Italian delegation confirmed its preference for a minimalistic approach, but noted that it might consider joining the majority if a number of grounds contained at present in its national legislation could be added to the optional list. As on most of these grounds the Commission departments had taken the view that they could not be accepted because they were diametrically opposed to the harmonization provisions, it was agreed that the Working Party should consider this point further at its meeting on 5 and 6 November.

The Portuguese delegation maintained a reservation on the compromise suggestion and insisted on a minimalistic solution.

6. The Permanent Representatives Committee is requested to confirm the majority approach on this question subject to finalization of the text by the Working Party at its meeting on 5 and 6 November.
8. RIGHTS CONFERRED BY A TRADE MARK (ARTICLE 3)

7. The Commission proposal provides in Article 3 a maximum solution based on a complete description of the monopoly rights which the proprietor of a trade mark is entitled to exert against any third party. It is the recourse to these rights which mostly affects the free circulation of goods among the Member States.

The need for a maximum solution in this field has been recognized by the great majority of delegations, even though the protection conferred by the monopoly rights did not exhaust the possibilities for the trade mark owner of acting on different legal grounds, in particular on the basis of civil liability or unfair competition actions. Differences in legislation in these fields might also affect the establishment of the internal market but their harmonization should, if it should be felt to be necessary, be the subject of a different proposal for a Directive by the Commission.

8. The Belgian and Netherlands delegations made their acceptance of the approach by the Commission and the majority subject to the inclusion in Article 3 of a clause inspired by Article 13A of the Benelux law on trade marks. This law, as a result of a long judicial evolution, has recognized as rights conferred by the trade mark, further to the traditional rights recognized in most States, any use of the trade mark or a similar sign in the course of trade and without just reason under conditions which might cause prejudice to the trade mark owner. This very extensive right confers on the owner a protection under trade mark law against acts by third parties which, in the other Member States, is usually conferred under the more restrictive conditions which govern civil liability or unfair competition actions. These two delegations consider this a fundamental progress in trade mark legislation, highly appreciated by their industry, and they are not prepared to give it up.
The other delegations and the Commission were not prepared to accept this development contained in the Benelux trade mark law as a general rule in the Community. On the contrary, in their view, the interests protected by this provision are more efficiently protected by the rules of civil liability and unfair competition, bearing in mind that as far as the protection of trade marks of wide repute is concerned, the trend implicit in the Benelux legislation is already recognized in the Directive in Article 3 paragraph 1a, where protection based on trade mark law is recognized also in relation to goods or services which differ from those for which the trade mark is registered. Furthermore, Article 8 of the draft Regulation for a Community trade mark contains provisions which are identical to those contained in Article 3 of the draft Directive and which have been accepted by all Member States. It would be undesirable to create a situation where in the Benelux countries the rights conferred by the Community trade mark would be less extensive than those conferred by a Benelux trade mark, particularly as national (including Benelux) and Community trade marks will be allowed to co-exist.

In the light of the position of the majority, the Belgian and Netherlands delegations indicated that they had accepted Article 8 of the draft Regulation for a Community trade mark as a compromise establishing the level of protection that could be agreed for a Community right. If they were however urged to abandon national provisions in the framework of harmonization, they might be obliged to reconsider their agreement on the solution envisaged for the Community trade mark.

9. A tentative compromise solution by the Presidency to introduce in Article 3 the Benelux clause as an option open to the Member States was not accepted by the majority of delegations nor by the Commission.

10. The Committee is requested to decide on the reservation by the Belgian and Netherlands delegations.
C. SANCTIONS FOR NON-USE (ARTICLES 12 AND 13 (NEW))

11. The Commission proposal provides in Article 11 that failure by the proprietor of a trade mark to put it to genuine use for a period of five years entails the sanctions foreseen by the Directive. One of these sanctions is specified in Article 12: such a trade mark cannot be successfully invoked in opposition proceedings against registration of a later trade mark; the burden of proving that the trade mark invoked has been used during the five preceding years falling upon its proprietor.

12. **A majority of delegations** agreed on the proposed Article 12 the provisions of which would be applied only in those Member States which know or will introduce opposition proceedings. In the course of the deliberations of the Working Party, new provisions have been developed which introduce a similar sanction and a similar onus of proof for the non-used trade mark invoked in invalidity proceedings against a later trade mark (Article 13 (new)) or in ex officio proceedings against the registration of a later trade mark (proposal for Article 12 paragraph 2 by the Danish delegation).

13. **The Spanish and Portuguese delegations** expressed their objection to this type of provisions, in so far as they contain rules of a procedural nature, and in particular rules on the onus of proof which, in their opinion, should be left fully to national legislation.

The **Italian delegation**, which is not concerned by Article 12 as proposed by the Commission, also expressed a reservation in respect of the idea of introducing similar provisions for invalidity or ex officio proceedings.

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4 The **Greek delegation** had also expressed a reservation on Article 12 at previous meetings of the Working Party.
The French delegation, while supporting the objections put forward by the previous delegations, indicated that the basic approach of Article 12 could not be accepted, as it considered that each Member State should be free to determine the ways and conditions under which the opposition procedure should be organized.

14. The majority of delegations maintained their support for the principles underlying Article 12 and Article 13 (new). Similar provisions are contained in the draft Regulation for a Community trade mark and are accepted by all delegations. The fact that certain provisions might contain procedural rules has no impact on the legal possibility for the Council to proceed to a harmonization which is needed to give a real content to the sanctions for non-use of a trade mark.

15. A compromise proposal advanced during the meeting of 22 October 1987 consists in deleting the provisions of Article 12 and Article 13 (new) and completing Article 11 by mentioning directly in this Article that failure to use a trade mark for five successive years has the effect that the trade mark cannot be successfully invoked in opposition proceedings, ex officio proceedings against registration, or invalidity proceedings, including counterclaims on invalidity raised in infringement proceedings. This approach would permit the Directive to be silent on the question of the onus of proof concerning non-use.
REPORT

from: Presidency

to: Permanent Representatives Committee

Subject: Amended proposal for a first Council Directive to approximate the laws of the Member States relating to trade marks

On page 5, the second sentence of paragraph 8 should read as follows:

"This law, as a result of a long judicial evolution, has recognized as rights conferred by the trade mark, further to the traditional rights recognized in most States, the right to oppose any use of the trade mark or a similar sign in the course of trade and without just reason under conditions which might cause prejudice to the trade mark owner."
NOTE

from: Working Party on Intellectual Property (Trade Mark)
to: Permanent Representatives Committee

No. Cion prop. 4090/86 PI 4 (MARCA) (COM(85) 793 final)

Subject: Amended proposal for a first Council Directive to approximate the laws of the Member States relating to trade marks

- Consolidated text resulting from the third reading

Delegations will find attached:

- in Annex I the consolidated text of the Articles of the amended proposal for a first Council Directive to approximate the laws of the Member States relating to trade marks as it stands after the Working Party's third reading;

- in Annex II, statements for entry in the minutes of the Council meeting at which the Directive is adopted.

.../...
DRAFT

FIRST COUNCIL DIRECTIVE TO APPROXIMATE THE LAWS OF THE MEMBER STATES RELATING TO TRADE MARKS

Preamble and recitals: p.m.¹

Article 1

Scope

This Directive applies to every trade mark in respect of goods or services which is the subject of registration or of an application in a Member State for registration as an individual trade mark, a collective mark or a guarantee or certification mark, or which is the subject of a registration or an application for registration in the Benelux Trade Mark Office or of an international registration having effect in a Member State.

¹ The Working Party intends to finalize the recitals at its meeting on 5 and 6 November 1987
Article 1a
Signs of which a trade mark may consist

A trade mark may consist of any sign capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.
Article 2

Grounds for refusal or invalidity

(1) The following shall not be registered or if registered shall be liable to be declared invalid:

(a) signs which cannot constitute a trade mark;

(b) trade marks which are devoid of any distinctive character;

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;

2 For Articles 2 and 2a, see Report in document 9185/87, Section A. This Article should be accompanied by a recital along the following lines:

"The grounds for refusal or invalidity concerning the trade mark itself, for example, the absence of any distinctive character or in respect of earlier rights associated with the trade mark, are restrictively enumerated. Nevertheless, some of these grounds are enumerated as an option for the Member States which will therefore be able to maintain or introduce in their legislation those grounds. Moreover, they will be able to maintain or introduce into their legislation grounds of refusal or invalidity linked to conditions for obtaining and continuing to hold a trade mark for which there is no provision of harmonization, concerning, for example, the eligibility for the grant of a trade mark, the renewal of the trade mark or sanctions related to procedural rules."
Article 2 (continued)

(d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade;

(e) signs which consist exclusively of

- the shape which results from the nature of the goods themselves, or
- the shape of goods which is necessary to obtain a technical result, or
- the shape which affects the intrinsic value of the goods;

(f) trade marks which are contrary to public policy or to accepted principles of morality;

(g) trade marks which are of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin of the goods or service;

(h) trade marks which have not been authorized by the competent authorities and are to be refused or invalidated pursuant to Article 6 ter of the Paris Convention for the Protection of Industrial Property, hereinafter referred to as the "Paris Convention";

(i) Deleted.

3 Scrutiny reservation by the French and Greek delegations on the terms "which affects the intrinsic value of the goods".
Article 2 (continued)

(2) Deleted.

(3) Deleted.

(4) A trade mark shall not be refused registration or be declared invalid in accordance with paragraph 1(b), (c) or (d) if it has become distinctive before registration in relation to the goods or services for which registration is requested in consequence of the use which has been made of it. In addition, where a trade mark has been registered in breach of paragraph 1(b), (c) or (d), Member States may provide that it may not be declared invalid if, in consequence of the use which has been made of it, it has, after registration, acquired a distinctive character in relation to the goods or services for which it is registered.  

(5) Each Member State may provide that, by derogation from paragraphs 1 and 4, the grounds for refusal of registration or invalidity in force in that State prior to the date on which the provisions necessary to comply with this Directive enter into force, shall apply to trade marks for which application has been made prior to that date.

Reservation by the French delegation which considered that this paragraph should be aligned on the wording of Article 6 quinquies (C)(1) of the Paris Convention, which reads as follows:

"In determining whether a mark is eligible for protection, all the factual circumstances must be taken into consideration, particularly the length of time the mark has been in use".

9186/87
Article 2a (former Article 8)\textsuperscript{5}
Further grounds for refusal or invalidity
concerning conflicts with earlier rights

(1) A trade mark shall not be registered or shall be liable to be declared invalid:

(a) if it is identical with an earlier trade mark, and the goods or services for which the trade mark is applied for or is registered are identical with the goods or services for which the earlier trade mark is protected;

(b) if because of its identity with or similarity to the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks there exists a likelihood of confusion on the part of the public.

(c) deleted

\textsuperscript{5} See footnote 2 on page 4.
Article 2a (continued)

(2) "Earlier trade marks" within the meaning of paragraph 1 means:

(a) trade marks of the following kinds with a date of application for registration which is earlier than the date of application for registration of the trade mark, taking account, where appropriate, of the priorities claimed in respect of those trade marks:

(i) Community trade marks,

(ii) trade marks registered in the Member State or at the Benelux Trade Mark Office;

(iii) trade marks registered under international arrangements which have effect in the Member State;

(aa) Community trade marks which validly claim seniority, in accordance with the Regulation on the Community trade mark, from a trade mark referred to in (a) (ii) and (iii), even when the latter trade mark has been surrendered or allowed to lapse;

(b) applications for the trade marks referred to in (a) and (aa), subject to their registration;
**Article 2a (continued)**

(c) trade marks which, on the date of application for registration of the trade mark, or, where appropriate, of the priority claimed in respect of the application for registration of the trade mark, are well known in a Member State, in the sense in which the words "well known" are used in Article 6 bis of the Paris Convention;

(d) deleted

(e) deleted

(3) A trade mark shall furthermore not be registered or shall be liable to be declared invalid if it is identical with or similar to an earlier Community trade mark within the meaning of paragraph 2 and is to be or has been registered for goods or services which are not similar to those for which the earlier Community trade mark is registered, where the earlier Community trade mark is of wide repute in the Community and the use of the later trade mark would take unfair advantage of or be detrimental to the distinctiveness or the repute of the earlier Community trade mark.

(4) Any Member State may furthermore provide that a trade mark shall not be registered or shall be liable to be declared invalid where and to the extent that:
Article 2a (continued)

(a) rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed for the application for registration of the subsequent trade mark;

(b) that non-registered trade mark or other sign confers on its proprietor the right to prohibit the use of a subsequent trade mark;

(c) the trade mark is identical with or similar to an earlier national trade mark within the meaning of paragraph 2 and is to be or has been registered for goods or services which are not similar to those for which the earlier trade mark is registered, where the earlier trade mark is of wide repute in the Member State concerned and the use of the later trade mark would take unfair advantage of or be detrimental to the distinctiveness or the repute of the earlier trade mark;

(d) the use of the trade mark may be prohibited by virtue of an earlier right other than the rights referred to in paragraphs 2 and 4 (a) and (b) and in particular:

(i) a right to a name;

(ii) a right of personal portrayal;

(iii) a copyright;

(iv) an industrial property right.
Article 2a (continued)

(e) the trade mark is identical with or similar to an earlier collective trade mark conferring a right which expired three years preceding application;  

(f) the trade mark is identical with or similar to an earlier trade mark conferring on identical or similar goods or services a right which expired within three years preceding the application, unless the proprietor of the earlier trade mark gave his agreement for the registration of the later mark or did not use his trade mark;  

(g) the trade mark is liable to be confused with a mark which was in use abroad on the filing date of the application and which is still in use there, provided that at the date of the application the applicant knew the mark or ought to have known of it;  

(h) the application for the trade mark was made in bad faith by the applicant.  

Several delegations expressed criticisms of subparagraphs (e) to (h) of this paragraph; it was agreed that these would be further examined at the Working Party's meeting at the beginning of November 1987.
Article 2a (continued)

(5) The Member States may permit that in appropriate circumstances registration need not be refused or the trade mark need not be declared invalid where the proprietor of the earlier trade mark or other earlier right consents to the registration of the later trade mark. 7

(6) Each Member State may provide that, by derogation from the preceding paragraphs of this Article, the grounds for refusal of registration or invalidity in force in that State prior to the date on which the provisions necessary to comply with this Directive enter into force, shall apply to trade marks for which application has been made prior to that date.

7 Scrutiny reservation by the German and French delegations.
Article 3

Rights conferred by a trade mark

(1) The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

(a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;

(b) any sign where, because of its identity with or similarity to the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public;

(c) deleted;

(d) deleted.

(1a) Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with or similar to the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter is of wide repute in the Member State and where use of that sign takes unfair advantage of or is detrimental to the distinctiveness or the repute of the trade mark.

For Article 3, see Report in document 9185/87, Section B.
Article 3 (continued)

(2) The following, inter alia, may be prohibited under paragraphs 1 and 1a:

(a) affixing the sign to the goods or to the packaging thereof;

(b) offering the goods, or putting them on the market or stocking them for these purposes under that sign, or offering or supplying services thereunder;

(b bis) importing or exporting the goods under the sign;

(c) using the sign on business papers and in advertising.

(3) Deleted.

(4) Where, under the law of the Member State, the use of an identical or similar sign in relation to similar goods or services could not be prohibited before the date on which the provisions necessary to comply with this Directive entered into force in the Member State concerned, the rights conferred by the trade mark may not be relied on to prevent the continued use of the sign in relation to the goods or services concerned.
Article 4  
(a) The terms of licence will be subject to the provisions of this Schedule and the following deletions.

(b) [Deleted]
Article 5

Limitation of the effects of a trade mark

(1) The trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade,

(a) his own name or address;

(b) indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services;

(c) the trade mark where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts,

provided he uses them in accordance with honest practices in industrial or commercial matters.

(2) The trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade, an earlier right which only applies in a particular locality if that right is recognized by the laws of the Member State in question and within the limits of the territory in which it is recognized.
Article 6
Exhaustion of the rights conferred by a trade mark

(1) The trade mark shall not entitle the proprietor to prohibit its use in relation to goods which have been put on the market in the Community under that trade mark by the proprietor or with his consent.

(2) Paragraph 1 shall not apply where there exist legitimate reasons for the proprietor to oppose further commercialization of the goods, especially where the condition of the goods is changed or impaired after they have been put on the market.
Article 7

Licensing

(1) A trade mark may be licensed for some or all of the goods or services for which it is registered and for the whole or part of the Member State concerned. A licence may be exclusive or non-exclusive.

(2) The proprietor of a trade mark may invoke the rights conferred by that trade mark against a licensee who contravenes any provision in his licensing contract in particular with regard to its duration, the form covered by the registration in which the trade mark may be used, the scope of the goods or services for which the licence is granted, the territory in which the trade mark may be affixed, or the quality of the goods manufactured or of the services provided by the licensee.

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9 Reservation by the Netherlands delegation on the need for this Article.
10 The Commission representative expressed a reservation on the words "the territory in which the trade mark may be affixed", on the grounds that no such provision was contained in the existing national laws.
Article 8
Deleted (see Article 2a)
(Senate's Amending Bill)

The Senate of the United States of America having considered the Senate's Amending Bill, do hereby declare:

...
Article 8a (new)

Surrender or lapse in favour of a Community trade mark

A trade mark to which this Directive applies and from which a Community trade mark has claimed seniority in accordance with the Regulation on the Community trade mark, but which has been surrendered or allowed to lapse, shall nevertheless continue to be liable to be declared to have been invalid or revoked.
Article 9
Friendly settlement

Deleted\textsuperscript{11}

\textsuperscript{11} Reservation by the Commission on deleting paragraph 1.
Article 10
Limitation in consequence of acquiescence

(1) Where, in a Member State, the proprietor of an earlier trade mark as referred to in Article 2a paragraph 2 or of any other earlier right referred to in Article 2a paragraph 4 has acquiesced in the use of a later trade mark registered in that Member State for a period of five successive years, while being aware of such use, he shall no longer be entitled on the basis of the earlier trade mark or right either to apply for a declaration that the later trade mark is invalid or to oppose the use of the later trade mark in respect of the goods or services for which the later trade mark has been used, unless the later trade mark was applied for in bad faith.

(2) Deleted.

(3) The proprietor of a later registered trade mark shall not be entitled to oppose the use of the earlier right referred to in paragraph 1, even though that right may no longer be invoked against the later trade mark.
Article 11
Use of trade marks

(1) If, within a period of five years following registration, the proprietor has not put the trade mark to genuine use in the Member State in connection with the goods or services in respect of which it is registered, or if such use has been suspended during an uninterrupted period of five years, the trade mark shall be subject to the sanctions provided for in this Directive, unless there are proper reasons for non-use.

(1a) The following shall also constitute use within the meaning of paragraph 1:

(a) use of the trade mark in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered;

(b) affixing of the trade mark to goods or to the packaging thereof in the Member State solely for export purposes.

(2) Deleted.

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12 The German delegation proposed that the term "following registration" be replaced by the term "following the date of the completion of the registration procedure", and that the following statement be entered in the Council minutes: "The Council and the Commission consider that the Member States may determine the date of publication of the completion of the registration procedure as relevant for the beginning of the five-year period".

13 The Italian delegation maintained a scrutiny reservation concerning the right to seek a derogation from paragraph 1a(a) in respect of defensive marks, if such marks were to be retained after entry into force of the Directive. This scrutiny reservation is linked to the problems relating to Article 2a.
Article 11 (continued)

(3) Use of the trade mark with the consent of the proprietor or by any person who has authority to use a collective mark or a guarantee or certification mark shall be deemed to constitute use by the proprietor.

(4) In relation to trade marks registered before the date on which the provisions necessary to comply with this Directive enter into force in the Member State concerned:

(a) where a provision in force prior to that date attaches sanctions to non-use of a trade mark during an uninterrupted period, the relevant period of five years mentioned in paragraph 1 shall be deemed to have begun to run at the same time as any period of non-use which is already running at that date;

(b) where there is no use provision in force prior to that date, the periods of five years mentioned in paragraph 1 shall be deemed to run from that date at the earliest.
Article 12, 14, 15
Use of a trade mark averred in opposition to a later trade mark

Where the law of a Member State provides that the existence of a trade mark may be averred in opposition to the registration of a later trade mark, it shall provide that, at the request of the applicant for registration, the party opposing registration shall furnish evidence in accordance with the relevant provisions of the law of that Member State that, during the period of five years preceding the date of publication of the later trade mark application, the earlier trade mark has been put to genuine use in the Member State in connection with the goods or services in respect of which it is registered, or that there are proper reasons for non-use, provided the earlier trade mark has at that date been registered for not less than five years and to the extent that it is registered in respect of goods or services for which the later trade mark is applied for. In the absence of proof to this effect, the opposition shall be rejected. If the earlier trade mark has been used in relation to part only of the goods or services for which it is registered, it shall, for purposes of the examination of the opposition, be deemed to be registered in respect only of that part of the goods or services.

14 For Articles 12 and 13 see Report in document 9185/87, Section C.
15 The Danish delegation has proposed the following new paragraph 2 to this Article:
"(2) Where the law of a Member State provides that the existence of a trade mark ex officio may be invoked against the registration of a later trade mark, it can provide that the owner of the trade mark shall furnish proof that, during the period of five years preceding the date of publication of the later trade mark application, the earlier trade mark has been put to genuine use in the Member State in connection with the goods or services in respect of which it is registered, or that there are proper reasons for non-use, provided that the earlier trade mark has at that date been registered in respect of goods or services for which the later trade mark is applied for. In absence of proof to this effect, the earlier trade mark shall be ignored. If the earlier trade mark has been used in relation to part only of the goods or services for which it is registered, it shall, for purposes of the examination of the application of the later mark, be deemed to be registered in respect only of that part of the goods or services."
Article 13 (new)\textsuperscript{16}

Use of a trade mark averred in invalidity
proceedings in respect of a later trade mark

On request by the proprietor of a trade mark in respect of which invalidity proceedings have been instituted, the proprietor of an earlier trade mark referred to in Article 2a paragraph 2(a), being a party to the invalidity proceedings, shall furnish evidence in accordance with the relevant provisions of the law of the Member State concerned that, during the period of five years preceding the date of commencement of the invalidity proceedings, the earlier trade mark has been put to genuine use in the Member State concerned - or, in the case of a Community trade mark, in the Community - in connection with the goods or services in respect of which it is registered, or that there are proper reasons for non-use, provided the earlier trade mark has at that date been registered for not less than five years, and to the extent that it is registered in respect of goods or services for which the later trade mark is also registered. In the absence of evidence to this effect the earlier trade mark shall be ignored. If the earlier trade mark has been used in relation to part only of the goods or services for which it is registered, it shall, for the purpose of the invalidity proceedings, be deemed to be registered in respect only of that part of goods or services.

\textsuperscript{16} See footnote 14 on page 25.
Article 14
Grounds for revocation

(1) A trade mark shall be liable to revocation if, within a continuous period of five years it has not been put to genuine use in the Member State in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use; however, no person may claim that the proprietor's rights in a trade mark should be revoked where, during the interval between expiry of the five-year period and filing of the application for revocation, genuine use of the trade mark has been started or resumed; the commencement or resumption of use within a period of three months preceding the filing of the application for revocation which began at the earliest on expiry of the continuous period of five years of non-use, shall, however, be disregarded where preparations for the commencement or resumption occur only after the proprietor becomes aware that the application for revocation may be filed;

(2) A trade mark shall also be liable to revocation if, after the date on which it was registered,

(a) in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service in respect of which it is registered;
Article 14 (continued)

(b) in consequence of the use made of it by the proprietor of the trade mark or with his consent in respect of the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

(3) Deleted (see Article 13 (new))
Article 15

Grounds for refusal or revocation or invalidity relating to only some of the goods or services

Where grounds for refusal of registration or for revocation or invalidity of a trade mark exist in respect of only some of the goods or services for which that trade mark has been applied for or registered, refusal of registration or revocation or invalidity shall cover those goods or services only.
Article 16

Special provisions in respect
of collective marks, guarantee marks and certification marks

(1) Without prejudice to Article 2a, Member States whose laws authorize the registration of collective marks or of guarantee or certification marks may provide that such marks shall not be registered, or shall be revoked or declared invalid, on grounds additional to those specified in Articles 2 and 14 where the function of those marks so requires.

(2) In derogation from Article 2 paragraph 1(c), Member States may provide that signs or indications which may serve, in trade, to designate the geographical origin of the goods or services may constitute collective marks. A collective mark does not entitle the proprietor to prohibit a third party from using in the course of trade such signs or indications, provided he uses them in accordance with honest practices in industrial or commercial matters.\(^\text{17}\)

\(^\text{17}\) The French delegation expressed a reservation in respect of paragraph 2 of this Article, as it considered that it should not be possible to register indications of geographical origin as collective marks.
In connection with the deletion of this Article, it is proposed that a recital along the following lines be included in the Preamble:

"The approximation of the national procedural rules in respect of marks does not appear at the moment to be necessary for the establishment of the internal market. Member States remain free, for example, to determine the form of trade mark registration, revocation and invalidity procedures and to decide whether earlier rights should be invoked either in the registration procedure or in the invalidity procedure (including as a counterclaim in infringement proceedings) or in both and, if they allow earlier rights to be invoked either in the registration procedure, to choose between an opposition procedure and an ex officio examination of earlier rights whether or not such examination is combined with an opposition procedure. Similarly, the approximation of national rules in respect of the effects of invalidity or revocation does not appear at the moment to be necessary for the establishment of the internal market."